Business Excellence Awards

2371. SHRI K.M. KHAN: Will the Minister of INDUSTRY be pleased to state:

(a) whether some Industrial units have bagged "Business Excellence Award" from the International Business Council during 1998;

(b) if so, the names of the States and Union Territories where these industrial units are located;

(c) whether any of such award has been bagged by any Industrial House of Andhra Pradesh;

(d) if so, the details thereof; and

(e) if not, the instructions to be issued by Government to the State Government to take some steps in this regard;

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) to (e) The Ministry of Industry is not associated in any manner with the nomination/ selection of industrial units for "Business Excellence Award" 1998.

Transfer of Shares of PSUs to Trusts

2372. SHRI SITARAM KESRI: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that Government propose to transfer 51 per cent of the shares of some profitable Public Sector Units to trusts; and

(b) if so, what are the reasons therefor and the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI SUKHBIR SINGH BADAL): (a) and (b) A number of proposals have been received by the Government including the proposal to set up a National Shareholding Trust as a mode of disinvestment of shares of Public Sector Enterprises. No decision has been taken in this regard.

Socio-economic Impact of Economic Stagnation

2373. SHRI K.M. KHAN: Will the Minister of INDUSTRY be pleased to state:

(a) whether some Chamber of Commerce and Industry of the country have serious apprehensions that economic stagnation will have adverse socio-economic impact;

(b) whether these apprehensions are based on slowed down of foreign capital inflows, the bloated current account deficit coupled with the rupee depreciation and are having negative effect on private investments;

(c) whether Government propose to take some faster measure to remove these apprehensions to strengthen the economic position of the country;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) Yes, Sir.

(b) The FDI inflow (exclusive of GDRs) in January-October, 1998 has been higher at Rs. 11,821 crores as compared to Rs. 10,296 crores in the corresponding period of last year. The inflow to approval ratio has also shown an improvement in this financial year. The current account deficit in 1997-98 at (−) 1.7% of GDP is lower than the figure of (−) 1.8% of GDP in 1995-96 when industrial growth was highest. The exchange rate depreciation of the rupee should also not be a cause of concern as it improves the price competitiveness of exports and reduces import competition for domestic producers of similar goods.

(c) to (e) Several measures have been initiated for arresting the slow down in industrial growth and strengthening the economic position of the country. These include:

(i) delicensing of coal and lignite, petroleum refining and sugar.

(ii) 100% foreign equity in power sector under automatic approval route has been allowed up to Rs. 1500 crores.

(iii) increase in limit for aggregate investment by NRIs raised from 5% to 10%.

(iv) rationalisation of tariff structure by introducing special additional duty of customs.

(v) Plan outlay for Energy, Transport and Communications stepped up by 35% to Rs. 61,146 crores in 1998-99(BE) as against Rs. 45,252 crores in 1997-98(RE).

(vi) Central and State Electricity Regulatory Commissions to be set up to *inter-alia,* address issues of rationalization of power tariffs.

(vii) Urban land Ceiling and Regulation Act (ULCRA) is proposed to be repealed, which would lead to a step up in construction activity and demand for material such as cement, steel etc.

The recent measures announced by the Government to stimulate and revive the industrial growth include:

(i) Special package announced for revival of growth in exports.

(ii) The Government has allowed buy back of shares and inter-corporate loans to boost investment and revive the capital market.

(iii) To give an immediate boost to industrial activity, the busy season credit policy announced by RBI has contemplated no upward revision of interest rates.

(iv) Counter guaranteees given by Government to three major fast track power projects, are expected to lead to financial closure and thus create demand for basic and other goods.

(v) Six lane, 7000 km highways at a cost of Rs. 28,000 crores are to be taken up.

(vi) Government has agreed to permit foreign equity in the insurance sector. The opening of the insurance sector would provide long term finance for the infrastructure sector.

(vii) Four Task Forces have been constituted for Steel, Capital Goods, Commercial Vehicles and Cement to recommend policy interventions to address the problems faced by these sectors. The Task Forces have submitted their recommendations to the Ministry of Finance. The Government has already notified exemption of seven inputs used in steel manufacturing from the special customs duty. The policy announcements relating to other sectors are expected shortly.

FDI in employment and labour intensive sectors

2374. SHRI C. RAMACHANDRAIAH: Will the Minister of INDUSTRY be pleased to state:

(a) whether any efforts have been made to obtain the opinion of the reputed national economic research institution on the headlong rush to increase FDI in employment and labour intensive sectors of the economy;

(b) if so, when was such a reference made;

(c) what are the terms of reference for such a study;

(d) whether the report has been finalised; and

(e) if so, the major findings?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHAT): (a) and (b) No, Sir.

(c) to (e) Do not arise.